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By facsimile and regular mail

July 11, 2002

Susan Prout
U.S. EPA
Mail Code C-14J
77 West Jackson Blvd.
Chicago, IL 60604

Re: *Master Metals, Inc. Superfund Site
Cleveland, Ohio*

Dear Ms. Prout:

On behalf of my clients, Northern Ohio Lumber & Timber Co. (NOLTCO) and Bredt-Zanick LLC (BZ)(collectively, BZ/NOLTCO), I am informing you of BZ/NOLTCO's willingness, as Limited Respondents for Operation and Maintenance Only, to execute the negotiated AOC for the above-captioned site so long as the following conditions are agreed to by all parties concerned.

Regarding the commitment to provide additional funds to assist in the completion of the asphalt-cap remedy, BZ/NOLTCO have entered into an UDAG Grant Agreement wherein the City, with 50% of the funds provided by the State of Ohio's Department of Development, has agreed to provide \$50,000 toward that effort. These funds are specifically earmarked for remedial costs exceeding \$300,000 on a reimbursement basis only, according to the conditions and specifications in the UDAG Grant Agreement. In the event that remedial costs exceed the \$300,000 threshold, paid invoices and cancelled checks for the remedial work must be submitted to the City in accordance with the requirements in the UDAG Grant Agreement for reimbursement of remedial costs. Provided these requirements are met to the City's satisfaction, BZ/NOLTCO will provide any assistance as necessary and forward any grant monies received from the City to NL.

At a meeting on January 16, 2001 between Terry Casey, representatives from BZ/NOLTCO, and City and State officials, BZ/NOLTCO agreed to provide an additional \$25,000 in the event that the \$50,000 grant from the City was not sufficient to complete the remediation for the asphalt-cap remedy. This agreement was based on two assumptions, namely, that cost projections for the asphalt-cap remedy were estimated at that time to be approximately \$360,000, and that remediation would commence by the spring of 2001. Since neither of these assumptions exists, BZ/NOLTCO is withdrawing their commitment to provide these additional funds.

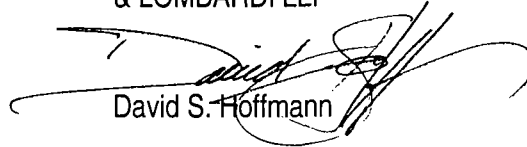


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I trust that this letter adequately sets forth the terms for BZ/NOLTCO's continued participation in this project. If you need any additional information or explanation, please call me at the above-referenced number.

Sincerely,

McMAHON, DeGULIS, HOFFMANN
& LOMBARDI LLP

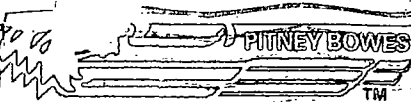


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